Consumer Price Index

Decline in prices moderating…

Alberta's year-over-year CPI inflation rate was -1.1% in September, an improvement from the -1.7% recorded in August. Although still in negative territory, the province is not experiencing broad based deflation, reflecting lower energy prices relative to their unusually high levels last summer. Compared to September 2008, the price of gasoline was down 26.0%, while natural gas was 34.8% cheaper. Excluding energy (one of the most volatile component of CPI), Alberta's inflation rate was 1.5%.

Canadian prices were down 0.9% from a year ago, the fourth consecutive month of negative year-over-year inflation. Again, the decline was primarily due to lower energy prices. Excluding energy, the CPI rose 1.3% between September 2008 and September 2009.

US Inflation

U.S. consumer prices remain subdued…

The U.S. consumer price inflation rate was -1.3% in September.

Housing Market

New home prices stabilizing…

New home prices in Alberta remained unchanged in August, following a modest increase of 0.4% in July. Although prices are signficantly lower than last year (-8.9%), the pace of decline (over 10% in March and April 2009) is moderating.

In Edmonton, prices were down 0.4% in August, while Calgary saw a modest increase of 0.2%. On a year-over-year basis, Edmonton and Calgary registered 12-month declines of 11.4% and 6.3% respectively.

Canadian Dollar (US¢/CS)

October 16, 2009	96.26
October 09, 2009	95.93
2009-10 YTD	89.02

WTI Oil US$/bbl

October 15, 2009	$77.58
October 08, 2009	$71.69
2009-10 YTD	$64.70

Nymex Natural Gas C$/MMBtu *

Near-month Contract

October 16, 2009	$4.93
October 09, 2009	$5.20

* Estimate based on Nymex Futures Market Price

Manufacturing Shipments

Shipments up in August…

Manufacturing shipments in Alberta rose 4.9% (seasonally adjusted) in August, the largest monthly increase in a year. The gain in sales largely reflected an increase in the petroleum and coal products industry (21.0%) and machinery manufacturing (11.6%). On a year-over-year basis, manufacturing shipments were down 26.3% in August, lower than the 33.2% decline recorded in July.

Canadian manufacturing sales dipped by 2.1% in August, following a robust increase of 5.2% in July, as the US Cash for Clunkers program expired in August. The aerospace product industry, which tends to be volatile, also contributed to the decline.

New Motor Vehicle Sales

Alberta vehicle sales lower in August…

Following monthly gains in June and July, new motor vehicle sales in Alberta fell 1.0% to 15,617 units (seasonally adjusted) in August. Compared to last year, sales were down 18.3%.

Commodity Markets and Exchange Rate

Oil prices and the loonie hit 12-month highs…

Commodity markets have exhibited strong growth in response to the weak U.S. dollar and improving economic indicators. The price of oil was up about 8% this week and reached a 12-month high of $77.58 US. The resurgence of oil prices has provided a big boost to the loonie , which reached its highest level ($0.97 US on October 14, 2009) since August 2008. The Canadian dollar retreated a bit today in response to the CPI report.

Alberta — CURRENT ECONOMIC INDICATORS

Overall Economy	2007	2008	2009YTD*	Apr	May	Jun	Jul	Aug	Sep
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,513	3,596	3,688	3,666		--	3,688	--	--
% change	2.7	2.4	2.6	2.8	--	--	2.6	--	--
Net Interprovincial Migraton[1] (level)	33,809	15,317	23,006	7,144	--	--	4,737	--	--
Net International Migration[1] (level)	16,372	20,039	20,074	4,416	--	--	6,089	--	--
Net Non-permanent Residents[1] (level)	14,105	18,536	19,058	4,380		--	2,594	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,993	1,993	1,994	1,990	1,986	1,979	1,982
% change	4.7	2.8	-0.9	-0.9	-1.1	-1.6	-1.6	-1.6	-1.9
Unemployment Rate (%)	3.5	3.6	6.3	6.0	6.6	6.8	7.2	7.4	7.1
Average Hourly Wage Rate	6.0	5.7	4.9	4.3	5.0	6.1	4.6	5.9	3.7
Average Weekly Earnings[2]	5.8	6.0	4.4	2.1	4.9	3.4	4.0	--	--
Labour Income[3]	10.5	8.7	3.1	1.9	2.4	1.2	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.3	-0.7	-0.7	-1.6	-1.5	-1.7	-1.1
NEW! Excluding food and energy	5.0	2.1	1.5	1.1	1.7	1.6	1.4	1.3	1.4
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-6.3	--	--	-11.3	--	--	--
Farm Product Price Index	14.3	11.1	-8.2	-4.4	-8.6	-16.2	-16.2	--	--
Crops	41.4	26.3	-22.8	-22.2	-25.5	-29.0	-26.5	--	--
Livestock	0.7	2.1	5.3	12.6	0.6	-5.6	-9.0	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	16.7	14.2	14.2	20.0	19.1	19.9	22.4
% change	-2.1	-39.7	-46.8	-53.3	-55.6	-12.7	-32.7	-14.6	-7.1
New Housing Price Index	22.5	0.7	-9.6	-10.7	-9.8	-9.8	-9.3	-8.9	--
Edmonton NEW!	32.1	1.0	-11.7	-12.5	-11.7	-11.7	-11.1	-11.4	--
Calgary	16.2	0.6	-7.6	-8.8	-7.9	-8.0	-7.3	-6.3	--
MLS Average Resale Prices	24.3	-1.4	-6.2	-6.8	-5.8	-4.6	-2.4	0.2	--
Edmonton	34.3	-2.0	-5.7	-7.4	-4.2	-3.8	-3.1	-3.3	--
Calgary	18.7	-2.9	-8.1	-10.1	-8.7	-6.3	-5.2	-0.4	--
Retail Sales	9.3	-0.1	-10.0	-10.1	-11.0	-7.2	-8.3	--	--
New Motor Vehicle Sales NEW!	3.3	-7.3	-25.4	-24.4	-27.8	-22.2	-18.6	-20.6	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-50.7	-42.0	-39.2	-56.3	-66.2	-62.7	-54.1
Goods Exports (customs based)	5.3	34.3	-39.6	-43.6	-50.2	-37.1	-46.7	-42.9	--
Energy	4.4	42.5	-45.6	-52.8	-58.7	-40.9	-51.8	-45.6	--
Agriculture	9.8	27.8	0.5	9.8	-13.7	4.4	-4.1	-7.5	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	--	--	-10.3	--	--	--
Manufacturing Shipments NEW!	1.1	7.0	-23.2	-24.3	-27.4	-27.0	-32.9	-25.7	--
Wholesale Trade	5.0	10.9	-10.4	-12.2	-20.9	-11.6	-17.2	--	--
Building Permits	13.4	-16.5	-34.8	-40.9	-18.5	-25.2	-29.8	-8.3	--
Residential	10.7	-31.5	-35.9	-44.2	-49.1	-17.8	-9.5	39.3	--
Non-residential	17.1	3.7	-33.8	-37.3	13.0	-31.0	-46.1	-48.5	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).2009 YTD population numbers are for the census year of 2009

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	***-2.1%***	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	**-2.7%**	-2.5%
2010	***2.8%***	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	**3.3%**	3.4%
Population (As of July 1, 2009)											
Population	**33,739,859**	508,925	140,985	938,183	749,468	7,828,879	13,069,182	1,221,964	1,030,129	**3,687,662**	4,455,207
Annual Growth Rate[a]	***1.2%***	0.5%	1.1%	0.2%	0.3%	1.0%	1.0%	1.3%	1.6%	**2.6%**	1.6%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		-528	-291	-1,794	-908	-11,682	-14,750	-3,703	4,171	**15,317**	14,643
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
Employment											
Level Change (000s)[b]	**-328.9**	0.2	-0.7	-4.8	1.4	-54.9	-59.4	2.0	-0.7	**-39.1**	-43.4
Percent Change[b]	***-1.9%***	0.1%	-1.0%	-1.0%	0.4%	-1.5%	-2.7%	0.3%	-0.1%	**-1.9%**	-1.9%
Unemployment Rate, 2009 avg (SA)	***8.2***	15.3	12.4	9.1	9.0	8.5	9.0	5.0	4.7	**6.3**	7.4
Participation Rate, 2009 avg (SA)	***67.3***	59.2	67.8	64.6	64.7	65.4	67.4	69.4	70.2	**74.5**	65.9
Average Weekly Earnings											
July 2009	**824.00**	805.49	699.36	733.51	754.12	775.11	845.17	780.26	803.90	**942.62**	799.36
Y/Y Percent Increase[c]	***1.6%***	6.0%	4.2%	1.8%	2.0%	0.7%	1.1%	4.3%	2.4%	**4.0%**	1.9%
2009 Wage Settlements (Jan-Aug)										**2.0%**	
CPI Inflation											
September Annual NEW!	**-0.9%**	-0.9%	-1.4%	-0.8%	-0.4%	-0.3%	-1.1%	-0.3%	0.2%	**-1.1%**	-1.2%
Excluding Shelter	**-0.5%**	-0.1%	0.3%	-0.1%	-0.3%	-0.4%	-0.9%	-0.6%	-0.9%	**-0.2%**	-0.3%
Housing Starts (000s)											
SAAR September 2009	**150.1**	2.6	0.7	5.0	3.1	41.0	50.5	4.2	4.4	**22.4**	16.2
Retail Sales											
Percent Change[d]	**-3.9%**	3.2%	-1.9%	-0.5%	-2.9%	-1.0%	-4.2%	1.0%	-3.5%	**-8.3%**	-6.6%
2009 YTD Retail Sales Growth	**-5.3%**	1.7%	-1.8%	-2.0%	-2.2%	-2.9%	-5.0%	-2.9%	-3.3%	**-10.0%**	-8.7%
Manufacturing Shipments											
Percent Change[d] NEW!	**-19.1%**	-24.2%	-8.0%	-20.7%	-8.1%	-16.6%	-19.1%	-17.2%	-23.6%	**-25.7%**	-18.7%

a. Over the past 12 months
b. September 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to July 2009
d. August 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada